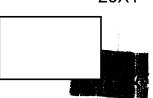
## **EUROPE**

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1. FRANCE: Reynaud asks "full economic powers"—Finance Minister Reynaud has informed US Ambassador Caffery that Premier Marie has agreed to ask the French Assembly to grant Reynaud "full economic powers" for a period of 18 months. Reynaud told Caffery that he intends to resign if these powers are refused, because without such powers he "could do nothing constructive." Caffery has also been informed by a prominent Socialist that the creation of a "superior governmental committee," including leading Socialist members and possessing the right to pass on "decree laws," should be a sufficient guarantee to Socialists that government decrees would conform to the Constitution and would safeguard the rights of labor.



(CIA Comment: Although the Socialists may not oppose the granting of decree powers to Reynaud at this time, their opposition to such delegation of authority can be expected to develop as Reynaud's program takes form.)

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**State Department review completed** 

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